



Department of Insurance
State of Arizona
Captive Insurance Division
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State of Arizona
Department of Insurance
Captive Formation Procedures

To establish a Captive Insurer in Arizona, an applicant should follow these steps:

I. Pre-application Phase

- A. Meet with the Captive Administrator to discuss the proposed captive insurer to determine its potential and to review the application process.
- B. Retain a local (Arizona) manager.
- C. Check name availability with Donita Kepers at 602.364.2716.
- D. Prepare necessary Incorporation Documents. Use of an Arizona attorney may be beneficial.
- E. Submit original and two copies of the final drafts of Incorporation Documents to Arizona Department of Insurance. If Incorporation Documents are in order, they will be stamped and returned to the applicant. The prospective applicant then submits Incorporation Documents with the required \$60 fee to the Arizona Corporation Commission for approval.
- F. Once approved by the Corporation Commission, the applicant should return the Documents to the Arizona Department of Insurance together with the following:
 1. Original and three copies of the Captive Insurance Company Application, Biographical Affidavits and supporting data and documentation.
 2. For Risk Retention Groups and Association Captives, an NAIC Company Code Application must accompany the submission.
 3. License fee of \$1000, Charter Document (Bylaws) fee of \$75, Examiners Revolving Fund deposit of \$100. All fees are non-refundable whether license is issued or declined.

II. Review by the Department of Insurance

- A. Review of Application and related information. The Application and related data may also be reviewed by an outside review firm designated by the Arizona Director of Insurance. The firm's duties are advisory only, and final approval or disapproval of an Application will be made by the Arizona Director of Insurance. The expenses of the outside review firms will be borne by the applicant as will expenses for internal reviews by DOI personnel outside of the Captive Division.
- B. If the Application and/or related information is not sufficiently clear or complete, the Arizona Department of Insurance will notify the Captive Manager of the deficiencies and what is necessary to make the Application complete. The Arizona Department of Insurance must receive a response within sixty(60) days for the Application to remain active and to prevent the application fees from being forfeited.
- C. Once the Application is considered complete, the Department of Insurance will make a decision within 30 days.
- D. The Arizona Department of Insurance will either grant or deny the license giving the reason(s) for the denial and the applicant's rights of appeal.